

Message Text

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C O N F I D E N T I A L STATE 056637

FOR THE AMBASSADOR

E.O. 11652: GDS

TAGS: ETRD, EAID, PPDC, BL

SUBJECT: GSA TIN DISPOSALS

1. FOLLOWING IS TEXT OF THE PRESIDENT'S LETTER TO PRESIDENT BANZER CONCERNING USG DECISION ON RELEASES OF TIN FROM GSA STOCKS. YOU SHOULD SEEK APPOINTMENT SOONEST WITH BANZER BUT NOT REPEAT NOT ACTUALLY DELIVER LETTER UNTIL YOU RECEIVE TALKING POINTS WHICH BEING SENT SEPTEL. DECISION WILL BECOME PUBLIC KNOWLEDGE SHORTLY AND DEPARTMENT WANTS TO INFORM BANZER AS SOON AS POSSIBLE.

2. QUOTE: DEAR MR. PRESIDENT: IT WAS A PLEASURE TO RECEIVE YOUR LETTER OF JANUARY 27.

I BELIEVE THAT THE STEPS YOUR GOVERNMENT IS TAKING TO PREPARE FOR NATIONAL ELECTIONS IN JULY, AND FOR FUNCTIONING DEMOCRATIC INSTITUTIONS AFTERWARDS, ARE OF THE GREATEST IMPORTANCE. YOU SAID THAT "DEMOCRACY IS A SYSTEM IN WHICH
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SOCIETY CAN BE IMPROVED IN AN UNLIMITED FORM," AND I FULLY AGREE. WHEN THE PEOPLE MAKE THE DECISIONS THAT DETERMINE THEIR POLITICAL AND ECONOMIC FATE, VARIETY, IMAGINATION, AND HUMAN PROGRESS ALL REACH THEIR FULLEST FLOWER. I RECOGNIZE, AND HISTORY HAS UNDENIABLY DEMONSTRATED, THAT DEMOCRATIC FREEDOMS CAN CREATE DIFFICULT CHALLENGES FOR

THOSE IN POSITIONS OF LEADERSHIP. BUT, HISTORY HAS ALSO SHOWN THAT THE TEMPORARY PROBLEMS ARE A SMALL PRICE TO PAY FOR THE LONG-TERM BENEFITS OF GENUINE POPULAR PARTICIPATION IN A SOCIETY'S AFFAIRS.

I UNDERSTAND YOUR CONCERN OVER THE EFFECT OF A DEMOCRATIC SYSTEM ON YOUR NATION'S ECONOMIC WELL-BEING, AND THE IMPLICATIONS FOR BOLIVIA, ESPECIALLY IN THE MONTHS AHEAD.

I ESPECIALLY APPRECIATE RECEIVING YOUR THOUGHTS ON THE QUESTION OF UNITED STATES STOCKPILE SALES OF TIN. YOUR RECOMMENDATIONS WERE BROADLY STUDIED AND INFLUENTIAL IN OUR CONSIDERATION OF NATIONAL STOCKPILE POLICY. WE HAVE DECIDED THAT ADDED SALES OF TIN ARE WARRANTED, BUT LARGELY BECAUSE OF YOUR ADVICE, WE WILL INSIST ON SAFEGUARDS TO PROTECT THE INTERESTS OF BOLIVIA AND OTHER PRODUCING COUNTRIES. THESE SAFEGUARDS WILL INCLUDE PHASING OF ALL TIN DISPOSALS TO PREVENT DISRUPTION OF PRODUCER MARKETS. WE LOOK FORWARD TO CONTINUING CLOSE CONSULTATION WITH YOU ON THE IMPLEMENTATION OF THESE SAFEGUARDS.

AS PARTICIPANTS IN THE INTERNATIONAL TIN COUNCIL, WE ARE CONTINUING TO REVIEW OUR POLICIES TOWARD THE INTERNATIONAL TIN INDUSTRY AND THE IMPACT ON THAT INDUSTRY OF UNITED STATES TIN DISPOSALS. AS THIS REVIEW PROGRESSES, REPRESENTATIVES OF OUR TWO GOVERNMENTS SHOULD DISCUSS THE IM-CONFIDENTIAL

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PLICATIONS.

I UNDERSTAND THAT YOUR GOVERNMENT HAS NEARLY COMPLETED A PROPOSAL FOR BOLIVIAN PARTICIPATION IN A PL-480 PROGRAM FOR FISCAL YEAR 1978 AND BEYOND. WE ARE AWARE OF THE URGENCY THAT YOU ATTACH TO IMPLEMENTATION OF THIS PROGRAM, AND WE WILL MOVE AHEAD WITH OUR REVIEW AS RAPIDLY AS POSSIBLE, ONCE WE RECEIVE THE PROPOSAL. ALTHOUGH WE CANNOT NOW PROMISE WHAT DECISION WE WILL MAKE, YOU CAN BE CONFIDENT THAT BOLIVIAN NEEDS WILL BE GIVEN EVERY CONSIDERATION.

I WAS VERY ENCOURAGED BY THE SIGNING OF THE EXCHANGE OF SANCTIONS TREATY BY OUR TWO GOVERNMENTS ON FEBRUARY 10. THIS AGREEMENT WILL HELP EASE CONCERNS IN CONGRESS AND AMONG THE PUBLIC ABOUT UNITED STATES CITIZENS INCARCERATED IN BOLIVIA. I WILL ASK OUR SENATE TO RATIFY THE TREATY RAPIDLY FOLLOWING THE CURRENT CONSIDERATION OF THE PANAMA CANAL TREATIES. IN THE MEANTIME, I HOPE THAT JUDICIAL PROCESSING OF UNITED STATES CITIZENS WHO HAVE NOT COMPLETED THEIR TRIALS WILL PROGRESS QUICKLY SO THAT THEY TOO MIGHT PARTICIPATE IN A TRANSFER AS SOON AS THE TREATY IS RATI-

FIED.

I EXTEND MY BEST WISHES TO YOU AND YOUR COUNTRYMEN FOR
SUCCESS OVER THE COMING MONTHS. THE PROJECTS AND PRO-
CESSES YOU HAVE INITIATED MERIT RECOGNITION AND SUPPORT.

ROSALYNN JOINS ME IN SENDING YOU AND MRS. BANZER OUR
WARMEST PERSONAL REGARDS. SINCERELY, JIMMY CARTER. END
QUOTE. VANCE

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Message Attributes

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